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MT LEGISLATIVE HISTORY

Chapter 341 1987

Bill (H) 820 S _____ Original bill & hist. ___C

H. Committee on Education Cultural Resources			S. Committee on Education Cultural Resources		
Hearing Date(s)	FEB 20	✓C	Hearing Date(s)	MAR 18	✓C
	FEB 21	✓C		[redacted]	___C
	_____	___C		_____	___C
	_____	___C		_____	___C
Date Out	FEB 21	✓C		MAR 19	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

CHAIRMAN--SEN. ROBERT J. "BOB" BROWN
NORMAL SCHEDULE==> SITE: ROOM 402 DAYS: M-W-F TIME: 1:00 P.M.
SECRETARY-JILL ROHYANS

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES----------	COMMITTEE ACTION----------	REREFERRED TO COMM----	DATE OUT-
HB0682	2/21	3/06	3/6	CONCUR AS AMENDED 3/6		3/9
SPAETH, GARY			ALLOW SEVERAL SCHOOL BOARDS TO FORM A JOINT BOARD TO SHARE DUTIES AND COSTS			
HB0725	3/02	3/25	3/25	CONCUR 3/25		3/25
STRIZICH, BILL			IMPROVE LOCATING OF MISSING CHILDREN BY SCHOOL REQUEST FOR PROOF OF IDENTITY			
HB0818	3/02	3/20	3/20	CONCUR 3/20		3/20
NATHE, DENNIS			ALLOW OPI TO PRINT UPDATE OF SCHOOL LAWS AT LEAST ONCE EVERY 2 YEARS			
HB0819	3/02	3/25	3/25	CONCUR 3/25		3/25
NATHE, DENNIS			ALLOW SUPERINTENDENT OF PUBLIC INSTRUCTION DISCRETION TO HIRE CERTAIN STAFF			
HB0820	3/05	3/18	3/18	CONCUR 3/18		3/19
FRITZ, HARRY			STUDENT GOVERNMENT TO RECEIVE INTEREST ON ACTIVITY FEES			
HB0839	3/02	3/23	3/23 3/25	CONCUR AS AMENDED 3/25		3/25
SANDS, JACK			ALLOW SCHOOL TRUSTEES THE OPTION TO CREATE SINGLE-MEMBER TRUSTEE DISTRICTS			
HJ0016	3/02	3/20	3/20 3/23	CONCUR AS AMENDED 3/23		3/24
PECK, RAY			INTERIM STUDY ON ADEQUACY AND COST OF ACCREDITATION STANDARDS-FISCAL PROCESS			
HJ0018	2/19	3/13	3/13	CONCUR 3/13		3/16
CONNELLY, MARY ELLEN			JOINT RESOLUTION DIRECTING STUDY OF SCHOOL BUS SAFETY			
HJ0026	3/02	3/23	3/23	CONCUR 3/23		3/23
WINSLOW, CAL			JOINT RESOLUTION SUPPORTING THE BIG SKY STATE GAMES			
HJ0034	3/02	3/25	3/25	CONCUR 3/25		3/25
WINSLOW, CAL			JOINT RESOLUTION SUPPORTING JIM DOLAN'S "MT. PRIDE" PUBLIC SCULPTURE PROJECT			
HJ0039	3/02	3/20	3/20	CONCUR 3/20		3/20
CONNELLY, MARY ELLEN			DIRECTING OPI TO STUDY FEASIBILITY OF SELF-INSURANCE FOR SCHOOL DISTRICTS			

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCE COMMITTEE
MONTANA STATE SENATE

March 18, 1987

The twenty-third meeting of the Senate Education and Cultural Resources Committee was called to order at 1:07 p.m. in Room 402 of the State Capitol, by chairman Bob Brown.

ROLL CALL: All committee members were present. Senator Pinsoneault was excused at 1:15 p.m.

CONSIDERATION OF HOUSE BILL 171: REPRESENTATIVE FRITZ, House District 56, sponsor of the bill, said the Teacher's Retirement Board hires an actuary, and this bill simply ensures he is qualified.

PROPONENTS: DAVID SENN, Administrator, Teacher's Retirement Board, stated not all actuaries are qualified to assist the Board with the technical actuarial aspects of the operation of the retirement system. He said qualifications are needed so actuaries understand them before they bid on the job.

OPPONENTS: There were no opponents.

QUESTIONS BY THE COMMITTEE: SENATOR MAZUREK asked why qualifications are not spelled out rather than stating the actuary must be a member of the American Academy of Actuaries or comparable professional association.

MR. SENN replied members of those organizations are qualified. As federal law changes it would not be necessary to constantly change state law with this language.

There being no further discussion, Rep. Fritz closed.

CONSIDERATION OF HOUSE BILL 820: REPRESENTATIVE FRITZ, House District 56, sponsor of the bill, said the bill was introduced at the request of the Associated Students of all units of the university system. They are in danger of losing the interest on the student activities fees because the fees have been determined to be in a current

designated fund category, and therefore, interest earned will be forfeited to the state general fund. The bill would allow the Associated Student groups to retain the interest earnings for support of their organizations as the practice has always been.

PROPONENTS: MATT THIEL, representing the Associated Students of the University of Montana, presented his testimony (Exhibit 1) in support of the bill. He also submitted a copy of a letter from the Attorney General regarding the matter. (Exhibit 2)

TODD HUDAK, representing the Associated Students of MSU presented his testimony in support of the bill. (Exhibit 3)

JACK NOBLE, Deputy Commissioner for Management and Fiscal Affairs, Montana University System, expressed support for the bill.

OPPONENTS: There were no opponents.

QUESTIONS BY THE COMMITTEE: SENATOR MAZUREK noted, as a historical note, he and Senator Brown fought hard to get the interest fees designated entirely for Associated Student projects years ago. He said half the interest went directly to athletics before that time.

There being no further discussion or questions, Rep. Fritz closed.

CONSIDERATION OF HOUSE BILL 365: REPRESENTATIVE PECK, District 15, said this is a bill introduced by request of the Legislative Finance Committee. It adds adoption of rules for student assessment in the public schools to the duties of the Board of Public Education. The Office of Public Instruction would have the responsibility of providing schools with information and technical assistance for complaince and collection and summarization of results for the Board of Public Education and the legislature. He pointed out there are no standards for testing in public schools currently, and this will establish a system of guidelines.

PROPONENTS: CLAUDETTE MORTON, Executive Secretary, Board of Public Education, presented her testimony in support of the bill (Exhibit 4).

EXECUTIVE SESSION

ACTION ON HOUSE BILL 198: SENATOR HAMMOND moved House Bill 198 BE CONCURRED IN. The motion CARRIED with Senators Neuman and Mazurek voting no, and Senator Pinsoneault absent.

ACTION ON HOUSE BILL 171: SENATOR REGAN moved House Bill 171 BE CONCURRED IN.

SENATOR MAZUREK moved to amend the bill on page 1, line 25, thru line 2 on page 2 by striking the new language and inserting "who meets the qualifications established by the Teachers Retirement Board".

SENATOR FARRELL said House Bill 300 dealing with actuaries, is currently in State Administration. He felt it was curious that two actuary bills would appear at the same time. He also pointed out if actuaries are changed in mid-stream, assumptions can also be changed and he requested some time to make some inquiries before action on the bill.

ACTION ON HOUSE BILL 83: SENATOR SMITH said his bill, Senate Bill 35, has passed and been signed by the Governor.

SENATOR MCCALLUM moved HB 83 BE TABLED. Senator McCallum felt Senator Smith's bill goes a long way and should be given a chance for two years.

The motion CARRIED unanimously.

ACTION ON HOUSE BILL 576: SENATOR HAMMOND moved House Bill 576 BE CONCURRED IN. The motion CARRIED with Senator Neuman voting no.

ACTION ON HOUSE BILL 35: SENATOR SMITH moved House Bill 35 be laid on the table. The motion CARRIED unanimously.

ACTION ON HOUSE BILL 820: SENATOR MAZUREK moved House Bill 820 BE CONCURRED IN. The motion CARRIED unanimously.

ACTION ON HOUSE BILL 39: SENATOR REGAN felt a horrendous problem is posed in the bill as appropriations must originate in the House, and the amendments in the bill appropriate $4.9 million from the educational trust fund. She felt it couldn't be done and furthermore, she stated if the bill can't be permanently funded, it shouldn't be passed.

ROLL CALL

SENATE EDUCATION AND CULTURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 3/18/87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BOB BROWN	✓		
SENATOR CHET BLAYLOCK	✓		
SENATOR GEORGE McCALLUM	✓		
SENATOR ED SMITH	✓		
SENATOR PAT REGAN	✓		
SENATOR JOE MAZUREK	✓		
SENATOR BILL FARRELL	✓		
SENATOR TED NEUMAN	✓		
SENATOR DICK PINSONEAULT	✓		1:15 pm
SENATOR SWEDE HAMMOND	✓		

Each day attach to minutes.

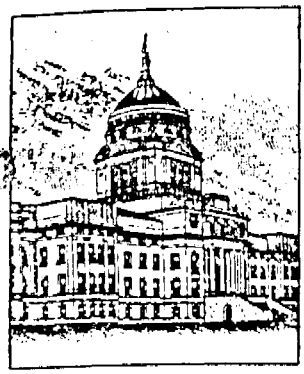
DATE March 18, 1987

COMMITTEE ON Education

VISITORS' REGISTER

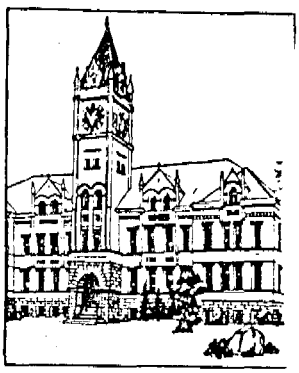
NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
Faustette Morton	Board of Public Ed	HB365	✓	
Judy Johnson	OPI	HB198		
Jack Noble	Mont. Univ. Sys	HB 820	✓	
Shawn Glen	self	HB820	X	
Ed Myers	Mt American	HB82[illegible]	X	
MATT THIEL	ASS. STUDENTS U OF M	HB820	X	
TODD HUDAK	ASSOC. STUDENTS MSU	HB820	X	
Jim Heikes	EMC	HB820	X	

(Please leave prepared statement with Secretary)



ASUM
Student Legislative Action

University Center 105
University of Montana
Missoula, Montana 59812
(406) 243-2451



SENATE EDUCATION
EXHIBIT NO. 7
DATE 3/18/87
BILL NO. HB 820

SENATE EDUCATION COMMITTEE, March 18, 1987

Matt Thiel, ASUM Lobbyist

ASUM is supporting HB 820 because a recent legislative auditor's determination will cause our student government association to lose a large portion of its revenues. The auditor has determined that our student government is in a "current designated" fund category, and thus interest earned in our accumulated balances will be forfeited to the state's general fund. We have been told that there is no other category choice ASUM fits into under current statute. House Bill 820 would allow student groups to retain investment earnings on student activity fees.

It is our position that student governments should be exempt from the current statute.

First, student governments are unique entities that are supported by student activity fees--a form of self-taxation sanctioned by the state. Student governments do not require any state appropriations to operate and pay for all the expenses they incur out or their own funds. Student governments are sanctioned by both the Board of Regents and campus presidents

EXHIBIT NO. 1
DATE 3/18/87
BILL NO. HB820

and operate under approved constitutions. These governments are entrusted with students monies to allocate to programs in a manner similar to the legislative process, and obey all state financial laws. Student supported programs are for students and make our campuses a better overall environment. These activities encourage new students to enroll in our colleges and universities and thus generate revenue for our state.

ASUM appropriates the activity fees to support student activities such as:

DAY CARE
LEGAL SERVICES
THE MONTANA KAIMIN (NEWSPAPER)
ASUM PROGRAMMING
VARIOUS WILDERNESS SOCIETIES
CAMPUS RECREATION--ALL INTRAMURAL SPORTS
UM ADVOCATES
SEVERAL MUSIC GROUPS
CUT BANK LITERARY MAGAZINE
INTERNATIONAL STUDENT GROUPS
BLACK STUDENT UNION
KYI-YO INDIAN CLUB
PHOENIX (FOR NON-TRADITIONAL OLDER STUDENTS)
STUDENT ACTION CENTER
TUTORING
RODEO CLUB

Second, student activity fees are not traditional tax dollars coming from traditional taxpayers and are not appropriated from the general fund. Students taking seven or more credits pay $20 per quarter per year and this makes up their total operating budget. It is from this sum of money that student governments earn the investment income that is so important to their fiscal stability.

Third, student governments predate many of the statutes that now affect them. Student governments were not really considered when these statutes were drafted to cover "normal"

SENATE EDUC
EXHIBIT NO.
DATE
BILL NO. 14

state governmental entities. Students are asking to be tre
according to their own unique characteristics.

Fourth, this bill will not take away any existing reve
from the state; the state has not relied on these revenues
However, student government at the University of Montana an
their activities would be drastically affected. Already AS
is facing a major financial crisis; cutting back on employe
clubs, programs and activities that mean a great deal to the
students. ASUM has just allocated approximately $407,000 to
various organizations and programs. This figure represents a
29 percent decrease in student funds over the past three yea
The investment income generated by student funds does not
represent a large amount to the financing of the state, ($39,000--
OBPP), especially when this money has not been credited to the
general fund in the past. Nevertheless, the loss of this money
would be catastrophic to ASUM. If the investment income is lost,
student programs will be cut and the state is unwilling or unable
to make up the difference.

Lastly, the Attorney General has looked into this situation.
He has suggested the need for a legislative remedy. He endorsed
this piece of legislation and recommends its passage. In
addition, the Commissioner of Higher Education has endorsed this
bill and also recommends its passage.

HB 82

STATE
OF
MONTANA

ATTORNEY GENERAL
MIKE GREELY

JUSTICE BUILDING, 215 N. SANDERS, HELENA, MONTANA 59620
TELEPHONE (406) 444-2026

SENATE EDUCATION
EXHIBIT NO. 2
DATE 3/16/87
BILL NO. HB 820

23 December 1986

Paul Tuss, President
Associated Students, University
of Montana
University Center, Room 105
Missoula MT 59812

Dear Mr. Tuss:

I am enclosing a copy of my recent opinion which holds that employees of ASUM are eligible for membership in the Public Employees' Retirement System. You will note that I added the caveat: "This opinion is not intended to resolve other issues of the proper relationship and control of student government operations by the university system."

I have also looked into the basis for the university administration's position that interest accrued on the student activity fees will not be credited to student government. It is my understanding that this different accounting treatment has been directed by the Legislative Auditor. In my discussions with you, I had agreed to write to President Koch about the matter. However, it appears that the problem lies with the Legislative Auditor and not the university administration.

At this time I am not taking a position whether the interpretation of the Legislative Auditor is correct. However, the timing is fortuitous to obtain statutory clarification from the Legislature which is convening in January. I urge you to pursue this through the Legislature since a change in the statute would resolve the matter completely. It is my understanding that the Commissioner's Office would support legislation to allow your continued receipt of the interest accrued on deposited student activity fees.

I know we discussed the problems you might have in presenting this to the Legislature, but upon further

T EDUCATION
EXHIBIT NO. 2
DATE 3/18/87
BILL NO. HB820

review, I think that is the best solution. You are authorized to state that I am in support of a legislative change to clarify the use of interest on student fees as outlined above.

If the Legislature is unwilling to make this change, you will be in a strong position to argue that the university administration should not also charge you the assessment fee. In my view, it is unreasonable to expect you to pay an assessment fee to the university and also lose the interest on the student fee account. I will support that request to the university administration if the Legislature does not respond to attempts to make the change discussed here. I encourage you first to seek the legislative change and I am hopeful that will deal with the very real problem you have.

Very truly yours,

MIKE GREELY
Attorney General

Enclosure

cc: Jack Noble
Deputy Commissioner of Higher Education

THE MONTANA UNIVERSITY SYSTEM
33 SOUTH LAST CHANCE GULCH
HELENA, MONTANA 59620-2602
(406) 444-6570

COMMISSIONER OF HIGHER EDUCATION

T EDUCATION
EXHIBIT NO. 2
DATE 3/18/87
BILL NO. HB820

TO: Student Body Presidents

FROM: Jack Noble
Deputy Commissioner for
Management and Fiscal Affairs

DATE: October 1, 1986

SUBJECT: Student Body Government, Retirement Eligibility for ASUM Employees, and Accounting for Associated Student Funds

The last legislative audit raised the issue of whethe employees of ASUM are state employees eligible for membershi in our Public Employees Retirement System. Our office agree to seek an Attorney General's opinion on the question. (Se attached letter to A.G.) The answer to the PERS question wil resolve (or create) another problem. If the ASUM employees ar state employees, then it follows that the accounting for stu dent funds must be moved from the Agency funds to the Desig nated fund groups in the Statewide Budget and Accountin System. (See letter from Wayne Kedish to Steve Bennyhoff.)

This means that the interest income currently earned ar retained by ASUM will be credited to the general fund. Sinc this may have a negative impact on your budget, you should b aware of the problem.

We will wait for the Attorney General's opinion prior t taking any action. I will be happy to meet with you and c over the problem at your next meeting.

JHN/llt

c: Chief Fiscal Officers
Carrol Krause
Steve Bennyhoff
Regent Budget Committee

THE MONTANA UNIVERSITY SYSTEM
33 SOUTH LAST CHANCE GULCH
HELENA, MONTANA 59620-2602
(406) 444-6570

COMMISSIONER OF HIGHER EDUCATION

SENATE EDUCATION
EXHIBIT NO. 2
DATE 3/18/87
BILL NO. HB 820

TO: Chief Fiscal Officers
Controllers

FROM: Steve Bennyhoff SAB
Financial Assistant

DATE: February 4, 1987

SUBJECT: Accounting for Associated Student Funds

Jack sent a letter to each student government last October (see attached) in which he explained that if the Attorney General ruled that ASUM employees are state employees, the accounting for student funds must be moved from the Agency fund to the Designated fund.

On January 8, 1987, the Attorney General issued his opinion that "such employees are properly members of the Public Employees' Retirement System". Therefore, to comply with section 17-1-102(4), MCA, which requires the accounting records be in accordance with GAAP, beginning in FY 88, all campuses must account for student funds in the Designated fund.

I recommend that for your FY 87 financial statements that you report all student activity in the Designated fund, even though you are accounting for the activity in an Agency fund.

SAB/llt

Attachment

900T

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122

SCOTT A. SEACAT
LEGISLATIVE AUDITOR

DEPUTY LEGISLATIVE AUDITORS
JAMES GILLETT
FINANCIAL-COMPLIANCE AUDITS
JIM PELLEGRINI
PERFORMANCE AUDITS
LEGAL COUNSEL:
JOHN W. NORTHEY

SENATE EDUCATION
EXHIBIT NO. 2
DATE 3/18/87
BILL NO. HB820

June 20, 1986

Steve Bennyhoff
Financial Assistant
Commissioner of Higher Education
33 South Last Chance Gulch
Helena, MT 59620

RECEIVED
JUN 24 1986
THE MONTANA UNIVERSITY SY

Dear Steve:

This letter is in response to your questions concerning accounting for student groups. Currently both MSU and UofM record the associated student activity in the agency fund. However, MSU reports the activity in the current designated fund in its financial statements. UofM reports the organization in the agency fund.

The issue raised at the Legislative Audit Committee was that the student groups are funded with state money and, according to the response to the PERS recommendation in UofM's report, are subject to applicable state and federal laws and regulations including but not limited to personnel, budgeting, purchasing, travel, and accounting. In this case, the student groups do not have agency fund status and, the moneys involved must be accounted for in the current unrestricted fund.

If the change is not made on SBAS, the units will violate section 17-1-102(4), MCA, which requires the accounting records be in accordance with generally accepted accounting principles.

If you have any further questions please call me at 444-3122.

Sincerely,

Wayne

Wayne Kedish
Audit Manager

WK/ss6f

TESTIMONY PRESENTED TO THE SENATE EDUCATION COMMITTEE

MARCH 18, 1987

SENATE EDUCATION
EXHIBIT NO. 3
DATE 3/18/87
BILL NO. HB 830

The Associated Students of Montana State University (ASMSU) is an organization composed of students, funded by students, and is concerned with providing to students representation, education, and service.

ASMSU provides students with representation before the MSU administration, the Board of Regents, and the Montana Legislature, as I am here doing today.

ASMSU provides educational and cultural opportunities in addition to what the state provides, for which the state does not have to pay. They have a lecture series which brings in nationally and regionally known speakers each year. These speakers have included Abby Hoffman, Alan Alda, and Dr. Ruth Westheimer within the last couple of years. ASMSU conducts a film festival every quarter, in addition to movies every weekend, which gives students the opportunity to see classic and foreign films which they otherwise may never have the opportunity to see. ASMSU also has a performing arts program which brings in other cultural entertainment groups such as ballets, operas, and classical music ensembles. These lectures, films, and cultural entertainment all help to provide the total, well-rounded, education one should receive from a university or college.

ASMSU also provides services such as the bike and ski repair shop, and the auto repair shop. They provide students with

SENATE EDUCATION
EXHIBIT NO. 3
DATE 3/18/87
BILL NO. HB 820

intermural sports and heath maintenance opportunities, and finally, provide students with tutors and daycare facilities. These services provide about 200 jobs and a limited amount of technical training for students having to work their way through college.

The money we earn from our investments is only a small amount to the state, but could mean the continuance of some of these programs and services for which we are now having trouble paying . Please pass H.B. 820 as it is a small price to pay for such fantastic programs--program for which the state does not have to provide. The loss of this money, which the state has never had in the past, could keep some of these programs alive in the future.

STANDING COMMITTEE REPORT

MARCH 19, 1937

MR. PRESIDENT

We, your committee on EDUCATION AND CULTURAL RESOURCES

having had under consideration HOUSE BILL No. 820

third reading copy (blue color)

STUDENT GOVERNMENT TO RECEIVE INTEREST ON ACTIVITY FEES

FRITZ (MAZUREK)

Respectfully report as follows: That HOUSE BILL No. 820

BE CONCURRED IN

~~BE~~ ~~CONCURRED~~ ~~IN~~

~~BE CONCURRED IN~~

SENATOR BOB BROWN, Chairman.

STATUS SHEET

50th LEGISLATIVE SESSION

EDUCATION COMMITTEE

HOUSE BILL NUMBER	ENTERED COM. DATE	DATE CON-SIDERED	OUT OF COM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMENDED DATE	DO NOT PASS AS AMENDED DATE	BE CON-CURRED IN DATE	BE NOT CON-CURRED IN DATE	BE CON-CURRED IN AMENDED DATE	BE NOT CONCURRED IN AS AMENDED DATE
820	2/17/87	2/20/87		2/21/87							
839	2/20/87	2/23/87		2/23/87							
870	3/13/87	3/16/87				3/27/87					
871	3/13/87	3/16/87				3/27/87					

Use a separate sheet for Senate Bills, House Bills, and Resolutions.

regents are on the right track now and he would hate to have to turn the future of six units over to a 90 day legislative session.

CLAUDETTE MORTON, Executive Secretary to the Board of Public Education rose in opposition to HB # 671. She stated the framers of the constitution were very careful to provide a delicate balance between the board which sets policy and in so doing defines the university system and the legislature which funds that system. House Bill 671 upsets that balance and the board of public education urges the committee not to pass the bill. See EXHIBIT # 3.

CONSIDERATION OF HOUSE BILL NO. 820:

REP. HARRY FRITZ, House District No. 56, sponsor of the bill, stated the bill will provide that interest earned on an invested fund derived from university student activity fees may be retained by the student government supported by the activity fees.

PROPONENTS:

PAUL TUSS, President of the Associated Students of the University of Montana rose in support of the bill. A copy of his testimony is attached as EXHIBIT # 4.

JAIME ZINK, representing the Associated Students of Montana State University. She said the associated students of Montana State University does receive their interest earnings, and would like to see this procedure extended across the system.

GREG ANDERSON, said he was speaking on behalf of all six units in the system, Montana Associated Students, and they stood in support of the bill.

OPPONENTS: None

QUESTIONS FROM THE COMMITTEE: None.

REP. FRITZ closed by saying he thought the opponents had testified to the soundness of the bill.

CONSIDERATION OF HOUSE BILL NO. 630:

REP. JOHN COBB, House District No. 42, co-sponsor of the bill stated that HB # 630 would centralize the funding and administration of equalization aid for school district

DAILY ROLL CALL

EDUCATION AND CULTURAL RESOUCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date FEB. 20, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. JACK SANDS, CHAIRMAN	X		
REP. RICHARD NELSON, VICE CHRMN.	X		
REP. FRITZ DAILY	X		
REP. RALPH EUDAILY	X		
REP. WILLIAM GLASER	X		
REP. DAN HARRINGTON	X		
REP. NANCY KEENAN	X		
REP. ROLAND KENNERLY	X		
REP. EARL LORY	X		
REP. JOHN MERCER	X		
REP. GERALD NISBET	X		
REP. JOHN PHILLIPS	X		
REP. TED SCHYE	X		
REP. BARRY STANG	X		
REP. TONIA STRATFORD	X		
REP. CHARLES SWYSGOOD	X		
REP. FRED THOMAS			X
REP. MEL WILLIAMS			X

EXHIBIT #4
DATE 2-20-87
HB # 820

TESTIMONY

Presented By:

Paul Tuss, President

Associated Students of the University of Montana

Education and Cultural Resources

House Bill 820

February 20, 1987

Mr. Chairman and Members of the Committee:

My name is Paul Tuss and I am President of the Associated Students of the University of Montana (ASUM). I am here today to express ASUM's support of House Bill 820.

We are supporting this piece of legislation because a recent legislative auditor's determination will cause our student government association to lose a large portion of its revenues. The auditor has determined that our student government is in a current designated fund category, and thus interest earned on our accumulated balances would be forfeited to the state's general fund. We have been told that there is no other category choice ASUM fits into under current statute. House Bill 820 would exempt ASUM from this restrictive category.

It is our position that student governments should be exempt from the current statute.

First, student governments are unique entities that are supported by student activity fees--a form of self-taxation sanctioned by the state. We are entrusted with student monies to allocate to programs and activities that support students and make our campuses a better overall environment. These activities encourage new students to enroll in our colleges and universities and thus generate revenue for our state. Activity fees are not traditional tax dollars coming from traditional taxpayers.

Second, student governments predate many of the statutes that now affect us. Student governments were not really considered when these statutes were drafted to cover "normal" state government entities. We are asking to be treated according to our own unique characteristics.

Third, this bill will not take away existing revenues from the state; the state has not relied on these revenues before. However, student government

at the University of Montana and our activities would be drastically affected. Already ASUM is facing a major financial crisis; cutting back on employees, clubs, programs and activities. These are small things but mean much to the students. Very shortly ASUM will allocate approximately $407,000 to its various organizations and programs. This figure represents a 29% decrease in our funds in just three short years. The interest our funds generate is not all that much to state government, especially when they have not had it before. However, the loss to ASUM would be catastrophic.

Lastly, the Attorney General has looked at this situation. He has suggested the need for a legislative remedy. He endorses this piece of legislation and recommends its passage. In addition, the Commissioner of Higher Education has endorsed this bill and also recommends its passage.

I thank you for your time and would appreciate your support of House Bill 820.

Respectfully submitted,

Paul Tuss

Paul Tuss
President
Associated Students of the University of Montana

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOUCES COMMITTEE

BILL NO. HOUSE BILL NO. 820 DATE FEBRUARY 20, 1987

SPONSOR REP. FRITZ

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Kelly Holmes	MT College Coalition	✓	
Paul Inns	Associated Students-UofM	✓	
Nancy Kompek	AS-MSU	X	
Mariah Battise	AS-UofM	X	
Rob Bell	ASUM	X	
Laura Jensen	ASUM UofM	X	
Nolie K. Olson	ASUM - UofM	X	
Emery Smith	EMC	✓	
Jack Noble	HIGHER ED. COMMISSIONER'S OFFICE	✓	
MATT THER	Ass. STUDENTS UM	✓	
Ida Schlosser	ASUM Student	✓	
Patty Nichols	EMC	✓	
Ethel Mullen	EMC	✓	
Charles Chastain	EMC	✓	
Clayton A Anderson	EMC	✓	
Kendall McRae	EMC	✓	
Connie Dowd	EMC	X	
Sharon Kenck	C.M.C.	✓	
Paul Hunt	U of M	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

EDUCATION AND CULTURAL RESOUCES COMMITTEE

BILL NO. HB # 820 DATE _____

SPONSOR _____

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Sylvia McPeak	Eastern MT College	X	
Paul L. Hanson	EMC	X	
Melissa Dulin	MSU el. education	X	
Sally Wunderlich	EMC	X	
Patricia Cloud	EMC	X	
Donna Doornek	EMC	X	
Rene Rehkopf	EMC	X	
Darcy Rehkopf	BLCS	X	
L. Haigh	MEA	✓	
Lucy Wiggins	MEA	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

The eighteenth meeting of the Education and Cultural Resources Committee was called to order by Chairman Jack Sands, on February 21, 1987, at 8:00 a.m., in Room 312-B of the State Capitol.

ROLL CALL: All members were present except for Reps. Daily, Eudaily, Lory, Mercer, Schye, Thomas and Williams who were excused.

EXECUTIVE SESSION:

ACTION ON HOUSE BILL NO. 630:

REP. NISBET moved to table the bill, the motion CARRIED unanimously.

ACTION ON HOUSE BILL NO. 671:

REP. SWYSGOOD moved to table HB # 671, the motion CARRIED unanimously.

ACTION ON HOUSE BILL NO. 797:

There was a DO NOT PASS motion made, it CARRIED unanimously.

ACTION ON HOUSE BILL NO. 820:

REP. STANG moved DO PASS on HB # 820, the motion CARRIED unanimously.

ACTION ON HOUSE BILL NO. 524:

REP. PHILLIPS moved to table HB # 524, the motion CARRIED.

ACTION ON HOUSE BILL NO. 683:

REP. KEENAN moved to table HB # 683, the motion CARRIED with REP. SCHYE and REP. DAILY voting no by proxy and REP. NISBET voting no.

ADJOURNMENT: There being no further business to come before the committee the meeting was adjourned at 8:10 a.m.

Jack Sands

REP. JACK SANDS, CHAIRMAN

DAILY ROLL CALL

EDUCATION AND CULTURAL RESOUCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date FEBRUARY 21, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. JACK SANDS, CHAIRMAN	x		
REP. RICHARD NELSON, VICE CHRMN.	x		
REP. FRITZ DAILY			x
REP. RALPH EUDAILY			x
REP. WILLIAM GLASER	x		
REP. DAN HARRINGTON	x		
REP. NANCY KEENAN	x		
REP. ROLAND KENNERLY	x		
REP. EARL LORY			x
REP. JOHN MERCER			x
REP. GERALD NISBET	x		
REP. JOHN PHILLIPS	x		
REP. TED SCHYE			x
REP. BARRY STANG	x		
REP. TONIA STRATFORD	x		
REP. CHARLES SWYSGOOD	x		
REP. FRED THOMAS			x
REP. MEL WILLIAMS			x

STANDING COMMITTEE REPORT

FEBRUARY 21, 19 87

Mr. Speaker: We, the committee on EDUCATION AND CULTURAL RESOURCES

report HOUSE BILL NO. 820

X ☐ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☐ as amended
☐ statement of intent attached

REP. JACK SANDS, Chairman

FIRST reading copy (WHITE color)